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WHA FOR WAYNE MIELE  
WHA/BSC FOR DOUG BARNES AND HEIDI GOMEZ

E.O. 12958: N/A  
TAGS: [ECON](#) [EINV](#) [PREL](#) [AR](#)  
SUBJECT: MEETING READOUT WITH GOA ON TIG INSURANCE

¶1. (U) This message is sensitive but unclassified and not for internet distribution.

¶2. (U) The DCM and Econoff (notetaker) met with Secretary of Economy for Legal and Administrative Affairs Estela Palomeque, and Advisors to the Secretary Carlos Arganaraz and Beatriz Pallares on June 7 to discuss the issue of GOA authorization to pay arbitration awards to TIG Insurance. The DCM presented a non-paper that briefly outlined the history of the arbitration awards, subsequent U.S. District Court rulings, and TIG Insurance's settlement offer in July ¶2005. Palomeque expressed a willingness to work on resolving the issue and requested post's assistance in assembling a list of names and positions of Ministry of Economy officials that post had worked with on this issue. She said she would look closely at this issue and get back to us.

¶3. (U) Palomeque is a relative newcomer to the Kirchner administration, and the matter of the GOA's responsibility in this case appeared to come as news to her. Nevertheless, Palomeque was serious in her evaluation of options with her advisers to bring an expeditious resolution of this case. She has been constructive in working on other USG interests and initiatives that post has discussed with her, such as the Trade Transparency Unit.

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Comment  
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¶4. (SBU) Post will continue working toward resolution of the TIG Insurance issue. Post believes, however, that the inclusion of any language in the Foreign Operations Bill linking IMET program funds to the GOA's allocating of funds to TIG Insurance would be detrimental not only to U.S. security interests but also to any hope of TIG Insurance receiving payment. Left-wing factions of the ruling Peronist party who strongly oppose close ties between U.S. and Argentine military forces will enthusiastically support any suspension of U.S. training for Argentina. Consequently, this will ensure that these elements will resist any attempt to resolve the TIG case. Post is hopeful that the Department will continue to work this issue with appropriate congressional staffs to ensure that IMET funding and the TIG Insurance case remain separated. End Comment.

¶5. (U) To see more Buenos Aires reporting, visit our classified website at:  
<http://www.state.sgov.gov/p/wha/buenosaires.</a>>  
GUTIERREZ